

## Exemption for Vehicles and Trailers Used in Interstate Commerce

## Sales & Use tax notice

Transfers of certain motor vehicles and trailers for use in interstate commerce are exempt from sales and use tax under Tenn. Code Ann. Section 67-6-331. To receive the benefit of this exemption, a motor vehicle must meet the following statutory requirements:

- 1) have a Gross Vehicle Weight Rating of Class 3 or above (greater than 16,000 lbs.);
- 2) the vehicle must be used to haul or transport for hire passengers or cargo;
- 3) be used principally (more than 50% of the use) in interstate or foreign commerce; and
- 4) be used by a carrier under authority granted by the federal government or other state agency. (To comply with this requirement the vehicle must be registered with the International Registration Program, have an operating certificate issued by the Interstate Commerce Commission, the Federal Highway Administration or the Federal Motor Carrier Safety Administration; or be hauling exempt agricultural commodities as defined by federal law).

Trailers, semi-trailers, and pole-trailers with appropriate motor vehicle

registration also qualify for the exemption if they meet the requirements listed in 2 and 3 above.

Vehicles that are used in the transportation of one's own goods do not meet requirement listed in 2 and do not qualify for this exemption.

Once these requirements have been met, the owner or lessee must complete the department's [Application for Sales Tax Exemption for Interstate Commerce Motor Vehicles and Trailers](#). The department has revised this Application and has attached the new form to this notice. When completing the application, a copy of the operating certificate must be attached if applicable. If the vehicle is leased, a copy of the agreement between the owner and the lessee must be attached to the application.

**Persons (including farmers) who use the vehicle or trailer to transport their own cargo and do not hire out to provide transportation services do not qualify for the exemption in Tenn. Code Ann. Section 67-6-331.**

Have questions or comments? Please let us know. [Contact us.](#)

Publication Date: July 2001